

LIFE INSURANCE

101

WORKSHEET



ACTIVE RETIREMENT NETWORK

REINVENTING RETIREMENT

Getting familiar with the particulars about life insurance policies is important.

Educating yourself about life insurance ensures you'll make the best decisions to protect your family's future. Complete this worksheet to help you understand the ins and outs of life insurance.

1. **Do you think you need life insurance? Why or why not?**

2. **List 4 insurance companies you would like to investigate to review their customer reviews and their financial strength figures.**

3. **Now, jot down the names of the top 2 life insurance companies, based on what you discovered from completing #2 above.**

4. **Next, calculate the amount of life insurance needed, using the tables below:**

Table 1. Calculation of Total Funds Required Upon Death

Funds Required by Your Family	Surviving Spouse's Total Costs
Your Income	\$ _____ per year
Your Family's needs for next _____ years	_____ years x yearly income \$ _____
Outstanding balance on mortgage	+ _____
College for _____ kid(s)	+ _____
Your Funeral Costs	+ _____
Total Overall Costs	= \$ _____

Table 2. Calculating Total Assets to Subtract from The “*Total Overall Costs*” in Table 1.

Assets Your Family Will Have In Your Absence	Amount to <u>Subtract</u> From Surviving Spouse's Total Costs
Total Overall Costs <i>(last line from Table 1)</i>	\$ _____
Social Security Survivor Benefits for Spouse & Kids <i>(i.e. \$12,000 per year in benefits)</i>	_____ years x social security payments - _____
Current Savings <i>(money in bank account)</i>	- _____
Retirement/Investment Savings	- _____
Life Insurance Needed	= \$ _____ *

*This figure assumes surviving spouse will be able to support themselves upon retirement and doesn't include funds for retirement years.

5. **Describe in your own words the benefits of the various types of life insurance policies.**

Term Life: _____

Whole Life: _____

Universal Life: _____

Variable Life: _____

Survivorship Life: _____

6. **Name 2 ways you can use your life insurance policy as a financial tool.**

7. **Name the 3 general ways you can receive life insurance pay-outs.** How are they different from one another?

8. **List and describe the different types of annuity pay-outs for life insurance beneficiaries.**

9. **Which type would you select if you were to be listed as a beneficiary? Why would you choose to take the pay-out this way?**

With this knowledge, you'll be able to make the right choice when it comes to life insurance decisions.